REMARKS

Reconsideration of the present application is requested.

One concept of the present invention relates to a demand-supply scheme in which the demand-supply steps of the scheme are selected based upon data that maximizes the profitability index. In other words, the selection is based mainly on profitability.

"sixth means for selecting one of the demand-supply steps by which the commodity is to be manufactured based upon scheme data that maximizes the profitability index ..." (claim 1, final paragraph)

Neither of the applied references to Lilly et al. and Sellers et al. even remotely discloses or contemplates such a scheme. Lilly et al. discloses a method and apparatus for scheduling work orders in a manufacturing process. The only parameters which the Lilly et al. considers are those which affect scheduling, not profitability.

The scheduling system of the present invention assigns resource capacity, a start date/time, and a finish date/time to each operation in the work order being scheduled <u>based</u> <u>upon the resource availability information, the material</u> <u>availability information, and the work order information</u>. The system schedules an operation for a date and time when both the necessary resource capacity is available and the necessary materials are available." (Lilly et al., paragraph bridging columns 6 and 7, emphasis added)

Nowhere in the Detailed Description of the Invention of Lilly et al. (columns 4-18) is the concept of profitability even mentioned, let alone incorporated as part of a scheduling scheme. Nor are costs even discussed.

The Official action is correct when saying that profitability is important to a producer of goods (Sellers et al. demonstrates that as well), but profitability is not an

aspect of determining a scheduling scheme in the particular invention described by Lilly et al.

The fact that a well known motive such as profitability is absent from the Lilly et al. disclosure emphasizes the fact that profitability is not contemplated as a controlling feature in the invention. The "best fit" determined by Lilly et al. is explained at paragraph 2, lines 41-45 as based upon resource availability and material availability, not upon profitability. Even assuming, for the sake of discussion that Lilly et al. teaches to propose multiple manufacturing processes, and that it would be obvious to select the most profitable one, there is no implication that the selected process would be highly profitable, because none of the processes are developed on the basis of profitability.

Furthermore, the presently claimed invention does not involve merely comparing final profitability numbers of overall manufacturing processes, but rather involves looking at the profitability of each demand-supply step in a given process and changing parameters thereof in order to vary the profitability index so that the steps with the best profitability indexes can be selected. Thus, it is ensured that the selected process will truly be highly profitable. Neither Lilly et al. or Sellers et al. disclose or suggest such a concept. Thus, according to claim 1, a profitability index is calculated for each demand-supply step of a given scheme, and parameters of the demand-supply steps are changed, so as to vary the profitability index thereof.

To reiterate, by selecting each demand-supply step of a given scheme on the basis of profitability, it is ensured that the profitability index of the scheme will be highly maximized. That is different from creating a number of schemes based upon scheduling and then selecting the more profitable from among them.

The comments made above concerning claim 1 apply equally to claim 8, attention being drawn to amended steps C and E of claim 8.

The above comments also relate to claims 17 and 28. Claim 17 recites fourth means for calculating profitability indexes of variations of each demand-supply step of the supply chain, and fifth means for selecting the variation of each demand supply step which has a maximum profitability index. Claim 28 recites corresponding method steps. As noted above, neither Lilly et al. nor Sellers et al. discloses or teaches such a concept.

In light of the foregoing amendments and comments, it is submitted that all pending claims distinguish patentably over Lilly et al. and Sellers et al., and allowance of the application is respectfully solicited.

Respectfully submitted,

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